



State of California
Employment Training Panel

Training Proposal for:

Ariba, Inc.

Agreement Number: ET09-0311

Panel Meeting of: **October 17, 2008**

ETP Regional Office: **San Francisco Bay Area**

Analyst: D. Woodside

PROJECT PROFILE

Contract
Type: Priority/Retrainee

Industry
Sector(s): Technology/IT

Counties
Served: Santa Clara

Repeat
Contractor: ☐ Yes ☒ No

Union(s): ☐ Yes ☒ No

Priority
Industry: ☒ Yes ☐ No

No. Employees in CA: 290

No. Employees Worldwide: 1,800

Turnover Rate %	Manager/ Supervisor %
19%	8%

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding
\$224,460	\$0	\$224,460

In-Kind Contribution
\$347,000

TRAINING PLAN TABLE

Job No.	Job Description (by Contract Type)	Type of Training	Average No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Priority/Retrainee	Business Skills, Computer Skills, Continuous Improvement	215	24-200	0	\$1,044	\$14.02
				Weighted Avg: 58			

Minimum Wage by County: \$14.02 per hour for Santa Clara County.

Health Benefits: ☒ Yes ☐ No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: ☐ Yes ☒ No

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

Wage Range by Occupation	
Occupation Title	Wage Range
Corporate Support Staff	
Information Technology/Engineering Staff	
Manager	
Sales/Marketing Staff	

INTRODUCTION

In this proposal, Ariba, Inc. (Ariba) seeks funding for retraining as outlined below:

Established in 1996, Ariba designs and delivers procurement software used by manufacturers, retailers, and distributors to connect with suppliers and manage procurement. The company's software products and "spend management solutions" assist customers analyze and manage their corporate spending to achieve increased cost savings and business efficiency. Ariba's customers are located worldwide and include Fortune 100 companies such as Chevron, Cisco Systems, Hewlett-Packard, and Unilever. Ariba reports that its applications currently operate on nearly four million desktops around the world.

Ariba is eligible for ETP funding under Title 22, California Code of Regulations (CCR), Section 4416(e) to retrain its workers employed at the corporate headquarters in Sunnyvale. Ariba is also a priority industry company engaged in high technology/information systems.

PROJECT DETAILS

The market for spend management solutions is highly competitive, rapidly evolving, and subject to changing technology and shifting customer needs. To meet these challenges, Ariba is transitioning to an "On-Demand" model of software delivery. On-Demand is the delivery of software functionality over the internet from a single application that is shared across all clients. These solutions require only a Web browser for access, eliminating the need to install or maintain software or hardware. In addition, this new model will replace up-front licensing fees

and lengthy implementation cycles of traditional installed applications with a “pay-as-you-go”, subscription-based service relationship. This new business model will allow Ariba to get products to market more quickly as well as greatly increase the client's ability to access the software and immediately utilize Ariba's most up-to-date products and services. This change will require the company to ensure the employees are adequately trained in order to market, sell, and support its products through this new model.

To implement its new business strategy and improve its technology infrastructure, Ariba is requesting the Panel's assistance to provide classroom/laboratory training across occupations in new business, continuous improvement, and computer skills as follows:

Business Skills Ariba's Frontline employees and managers will receive supplemental business skills in areas such as business writing, communication, finance/accounting, organizational effectiveness, and sales/marketing skills related to advanced products, on-demand delivery, and a new service relationship with customers.

Computer Skills Frontline employees and managers will receive training in Microsoft Exchange Server, Microsoft SQL (Structured Query Language) Server, Microsoft Visual Studio, Microsoft Project, and Intermediate and Advanced Microsoft Office applications. In addition, Ariba is implementing a new SAP enterprise-wide operating system (ERP). Currently, the company manages its business processes on several, separate systems which slows down productivity. By utilizing a new SAP business platform, all processes will run on one engine, therefore, creating more consistency and ease of use for the workforce.

Continuous Improvement Frontline employees and managers will receive training in teamwork, coaching, collaboration, and problem-solving skills. Ariba is increasing its focus on leadership development training for frontline employees.

Commitment to Training

Ariba representatives state that ETP funds will not displace its existing financial commitment to training. Indeed, the company anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area. Ariba currently provides ongoing training including basic job skills, new employee orientation, anti-harassment training, on-the-job training, introductory computer skills, and interviewing skills. In addition, Ariba provides highly technical skills to its engineering and information technology staff via industry and technical conferences. This training will continue during the term of the proposed ETP Agreement at the company's own expense. In addition, Ariba expects to invest approximately \$400,000 in training in California.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal to fund retraining and foster growth in a priority industry.

DEVELOPMENT SERVICES

Ariba retained Training Funding Partners in Tustin to assist with development of this proposal for a flat fee of \$18,500.

ADMINISTRATIVE SERVICES

The company also retained Training Funding Partners to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

Trainers will be identified for ETP record-keeping purposes as they are retained by Ariba.

Exhibit B: Menu Curriculum

Class/Lab Hours

24-200

Trainees may take any of the following:

Business Skills

- Business Writing Skills
- Communication Skills
- Finance/Accounting Skills
- Organizational Effectiveness
- Sales/Marketing Skills

Computer Skills

- Microsoft Exchange Server
- Microsoft SQL Server
- Intermediate/Advanced Microsoft Office Suite
- Microsoft Project
- Microsoft Visual Studio
- SAP System Skills

Continuous Improvement

- Change Management Skills
- Critical Thinking Skills
- Leadership/Coaching Skills
- Problem Solving Skills
- Process Improvement Skills
- Team Building Skills